

Attachment 18: Cancelled Accounts Payable/Receivable Guidance

The following transactions are illustrated in the Treasury guidance for the processing of transactions related to accounts payable for cancelled accounts.

F120 To record the cancellation of expired authority and withdraw funds via FMS 2108: Yearend Closing Statement (no warrant).

Comment: Use only at the end of the 5th year after the authority expires.

Budgetary Entry

Debit 4650 Allotments – Expired Authority
Credit 4350 Canceled Authority

Proprietary Entry

Debit 3106 Unexpended Appropriations – Adjustments
Credit 1010 Fund Balance With Treasury

F122 To record the cancellation of authority not previously expired and to withdraw funds.

Comment: Authority canceled early by administrative action.

Budgetary Entry

Debit 4450 Unapportioned Authority
Debit 4510 Apportionments
Debit 4610 Allotments – Realized Resources
Debit 4620 Unobligated Funds Exempt From Apportionment
Credit 4350 Canceled Authority

Proprietary Entry

Debit 3106 Unexpended Appropriations – Adjustments
Credit 1010 Fund Balance With Treasury

F128 To record the cancellation of a valid obligation and account payable in the “canceling appropriation.”

Comment: Also post USSGL TC-F120 to cancel the expired authority and withdraw fund balance; see USSGL TC-F130 to reestablish a canceled account payable in the canceled appropriation. See Office of Management and Budget (OMB) Circular No. A-11 for additional guidance.

Transaction Origin: USSGL implementation guidance; canceled payables

Budgetary Entry

Debit 4971 Downward Adjustments of Prior-Year Unpaid Delivered Orders – Obligations, Recoveries
Credit 4650 Expired Authority

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Proprietary Entries

Debit 2110 Accounts Payable
Credit 6100 Operating Expenses/Program Costs

AND

Debit 5700 Expended Appropriations
Credit 3107 Unexpended Appropriations – Used

F130 To reinstate the valid account payable in the canceled appropriation for financial statement presentation.

Comment: Post this transaction concurrently with USSGL TC F128. OMB Circular A-11 requires agencies to maintain proper general ledger control for obligations to prevent both overpayment and over-obligation related to canceled appropriations, and that anti-deficiency provisions continue to apply to canceled appropriations. See OMB Circular A-11 for additional guidance.

Transaction Origin: USSGL implementation guidance; canceled payables

Budgetary Entry

None

Proprietary Entry

Debit 6800 Future Funded Expenses
Credit 2960 Accounts Payable From Canceled Appropriations

F144 To record the cancellation of a receivable for reimbursable activity.

Comment: To record as an adjusting entry before preparing the preclosing trial balance. Post this transaction prior to posting USSGL TC-F120, which cancels expired authority.

Transaction Origin: USSGL implementation guidance; expired and cancelled authority

Budgetary Entry

Debit 4650 Allotments – Expired Authority
Credit 4251 Reimbursements and Other Income Earned – Receivable

Proprietary Entry

Debit 5200 Revenue From Services Provided
Credit 1310 Accounts Receivable

B314 To record an obligation and accounts payable in an unexpired appropriation for a valid bill related to a canceled appropriation.

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Comment: This transaction is simultaneously posted with USSGL TC-B316. Also post USSGL TC-B134.

Transaction Origin: USSGL implementation guidance; canceled payables

Budgetary Entry

Debit 4610 Allotments – Realized Resources
Debit 4620 Unobligated Funds Exempt From Apportionment
Credit 4901 Delivered Orders – Obligations, Unpaid

Proprietary Entry

Debit 6100 Operating Expense/Program Costs
Credit 2110 Accounts Payable

B316 To record in the canceled appropriation the removal of the canceled payable upon receipt of a valid bill. The budgetary entry reduces the balance of authority that remained upon cancellation.

Comment: Simultaneously record SGL TC-B314 in an unexpired appropriation that is available for the same purpose as the closed account. See OMB Circular A-11 for additional guidance.

Transaction Origin: USSGL implementation guidance; canceled payables

Budgetary Entry

Debit 4350 Canceled Authority
Credit 4201 Total Actual Resources - Collected

Proprietary Entry

Debit 2960 Accounts Payable From Canceled Appropriations
Credit 6800 Future Funded Expense